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Ex-53 Agency Information Technology (IT) Investment Portfolio

**Summary of Changes**

Renames exhibit 53 to “Agency Information Technology Investment Portfolio” (section 53.1).

Renames the reporting categories to “major,” “significant,” and “small/other” and provides new definitions (section 53.2).

Requires agencies requesting IT funding via exhibit 300B or whose financial management BA exceeds \$500,000 to submit exhibit 53 (section 53.3).

Requires agencies to use an electronic spreadsheet to report exhibit 53 data; the MAX system will no longer be used (section 53.4).

Advises agencies that an electronic copy of their previous year’s submission is available for revision (section 53.5).

Requires agencies to report “percentage financial” for financial and mixed systems and “percentage IT security costs” when reporting IT costs (section 53.6).

Changes the coding system for exhibit 53 (section 53.7).

**53.1 Why must I report on information technology?**

This information helps OMB:

- Identify large IT investments for possible review during the budget process;
- Ensure that spending on IT supports an agency’s mission;
- Identify investments in agency infrastructure and office automation;

- Identify investments that support agency IT architecture development, business process re-engineering (BPR), IT policy development, and acquisition management;
- Understand the amounts being spent on development and modernization of IT versus the amount being spent on operating and maintaining the status quo for IT;
- Understand an agency's capital planning and investment control processes for the portfolio of IT investments;
- Identify the funding sources for agency IT investments;
- Identify investments for IT security as part of agency life-cycle costs for specific investments and IT security that is crosscutting or infrastructure related;
- Ensure that life cycle costs for specific investments reflect compliance with privacy policies;
- Provide a full and accurate accounting of IT expenditures as required by the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996;
- Ensure that spending on IT supports agency compliance with the requirements of Section 508 of the Rehabilitation Act Amendments of 1998 (Electronic and Information Technology Accessibility) and Section 504 of the Rehabilitation Act of 1973 (Reasonable Accommodation);
- Review requests for agency financial management systems; and
- Prepare the Government-wide five-year plan required by the Chief Financial Officers (CFOs) Act of 1990.

You must provide this information using the Agency IT Investment Portfolio (exhibit 53) reporting format. This format was developed jointly by OMB and the Chief Information Officers' Council and provides basic information your agency needs to link its internal planning, budgeting, acquisition, and management of IT resources (i.e., the capital programming process). In addition, as an output of your agency's internal capital programming process, your budget justification for IT must provide results oriented information on IT operations and improvement initiatives in the context of the agency's missions and operations. Your budget justification, including the status and plans for information systems, should be consistent with your agency's submissions on financial management activities required by section 52 and the applicable guidance in Part 3 of this Circular.

### 53.2 What special terms must I know?

**Information technology**, as defined by the Clinger-Cohen Act of 1996, sections 5002, 5141, and 5142, means any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For purposes of this definition, equipment is "used" by an agency whether the agency uses the equipment directly or it is used by a contractor under a contract with the agency which (1) requires the use of such equipment or (2) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. Information technology includes computers, ancillary equipment, software, firmware and similar procedures, services

(including support services), and related resources. It does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

**Information system** means a discrete set of information technology, data, and related resources, such as personnel, hardware, software, and associated information technology services organized for the collection, processing, maintenance, use, sharing, dissemination or disposition of information.

**Financial management systems** means financial systems and the financial portions of mixed systems necessary to support financial management.

**Financial system** means an information system, comprised of one or more applications, that is used for any of the following:

- Collecting, processing, maintaining, transmitting, and reporting data about financial events.
- Supporting financial planning or budgeting activities.
- Accumulating and reporting cost information.
- Supporting the preparation of financial statements.

A financial system supports the financial functions required to track financial events and provides financial information significant to the financial management of the agency and/or required for the preparation of financial statements.

**Major IT system** means a system that requires special management attention because of its importance to an agency mission; its high development, operating, or maintenance costs; or its significant role in the administration of agency programs, finances, property, or other resources. Large infrastructure investments (e.g., major purchases of personal computers or local area network improvements) should also be evaluated against these criteria. Your agency Capital Planning and Investment Control Process may also define a “major system.” All major systems must be reported on exhibit 53. In addition, a “major” IT system is one reported on your “Capital Asset Plan and Justification,” exhibit 300B (see Part 3 of this Circular). For the financial management mission area, “major” is any system that costs more than \$500,000. If you are unsure about what systems to consider as “major,” consult your agency budget officer or OMB representative. Systems not considered “major” are either “significant” or “small/other” (see section 53.3(b)).

**Mixed system** means an information system that supports both financial and non-financial functions of the Federal Government or components thereof.

**Non-financial system** means an information system that supports non-financial functions of the Federal Government or components thereof and any financial data included in the system are insignificant to agency financial management and/or are not required for the preparation of financial statements.

**Significant project** means an information technology project or investment that is significant to the business of the agency, may require greater visibility, and does not meet the requirements of “major” identified above.

**Small/Other** means all other small or individual projects that do not meet the criteria for “major” or “significant” but is part of the agency’s overall IT portfolio.

### **53.3 How do I determine whether I must report?**

Submit an agency IT investment portfolio (exhibit 53) to OMB if either of the following are true:

- Your agency is requesting funding for IT investments via a Capital Asset Plan and Justification (see section 300). If you are unsure whether your agency will submit exhibit 300B, consult your OMB representative.
- Your financial management system BA is above \$500,000.

### **53.4 How do I submit exhibit 53 and when is it due?**

You must submit exhibit 53 in an electronic format either by e-mailing a spreadsheet version of exhibit 53 or, if your agency uses I-TIPS, by submitting it directly from I-TIPS. If you choose to e-mail exhibit 53, use the spreadsheet provided at [www.cio.gov/docs/Documents.htm](http://www.cio.gov/docs/Documents.htm). This spreadsheet is formatted to meet all the reporting requirements of the exhibit 53. Send the completed spreadsheet to [exhibit53@omb.eop.gov](mailto:exhibit53@omb.eop.gov). The subject line must have the three digit OMB agency code (see Appendix C) and the full agency name.

Your exhibit 53 is due to OMB by December 15th. In addition, you must update each exhibit 53 you submitted in December to reflect any changes due to final budget decisions (see section 27.3).

### **53.5 If I submitted exhibit 53 last year, how do I revise it this year?**

If your agency provided an exhibit 53 for the FY 2001 Budget, you may choose to update the file that is located at [www.cio.gov](http://www.cio.gov) for your agency.

### **53.6 How is exhibit 53 organized?**

(a) *Overview.*

As a general rule, exhibit 53 covers IT for your agency as a whole. However, in some cases, OMB might require you to prepare the exhibit at the bureau level. Provide budget authority amounts in millions PY through BY; where obligations are a better measure of total costs for the prior year, you may report obligations, rather than budget authority, for PY only. Information reported here must be consistent with data you report in schedule O, object classification (specifically, classes 11.1 through 12.2, 23.1, 23.2., 25.2, 25.3, 25.7, 26.0, 31.0, and 41.0). Include all major IT systems, including financial management systems, reported in exhibit 300B.

Exhibit 53 has four major parts:

- Part 1. IT systems by mission area
- Part 2. IT infrastructure and office automation
- Part 3. IT architecture and planning
- Part 4. IT resource summary

Parts 1 through 3 use the following common data elements:

- **Title** means a definitive title that explains what the project or investment is entitled.
- **Development/modernization/enhancement** means the program cost for new systems, changes or modifications to existing systems that improve capability or performance, changes mandated by Congress or agency leadership, personnel costs for project management, and direct support. This amount equals the sum of amounts reported for planning and full acquisition of that system in exhibit 300B and is required for “major” systems only.
- **Steady state** means maintenance and operation costs at current capability and performance level including costs for personnel, maintenance of existing information systems, corrective software maintenance, voice and data communications maintenance, and replacement of broken IT equipment. This amount equals amounts reported for maintenance of that system in exhibit 300B and is required for “major” systems only.
- **Percentage financial** means an estimated percentage of the total system budget authority associated with the financial components. See the financial system definition for a description of financial functions.
- **Percentage IT security** means an estimated percentage of the total investment for budget year associated with IT security for a specific project.
- **Funding source** means the direct appropriation or other specific budget authority an agency receives to pay for a particular project or service. You need to identify the account and the budget authority provided. Report those accounts that provide the financing for a particular investment. *To avoid double counting, do not report any accounts receiving intragovernmental payments to purchase IT investments or services as funding sources.* For example:

You may receive specific budget authority for the acquisition of long-distance telecommunications. If you obtain those long-distance telecommunication services through the GSA FTS 2001 contract, you should report the amount rather than GSA, who is the contracting agency.

The Department of Army receives budget authority to obtain messaging service from DISA. In this case Army would report the IT investment, but DISA would not record a receipt on exhibit 53.

(b) *Part 1. IT systems by mission area.*

Consistent with your agency’s strategic and annual performance plan, report amounts for IT investments that directly support an agency-designated mission area (e.g., human resource management, financial management, command and control). Report each mission area in which IT systems, programs, projects, or initiatives are funded. For each mission area, itemize each “major” and each “significant” IT system by name and the total cost of all “small/other” systems. To determine how many systems should be listed as either “major” or “significant” in each mission area, use the rule that the greater percent of your IT expenditures should be identified within the combined listing of the two categories. For FY 2001, agencies identified an average of 76 percent of their total IT investments as either “major” or

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“significant.” This is the performance goal to focus on achieving and increasing as agencies use capital planning and investment control processes to better manage information technology. Therefore, your exhibit 53 should focus on achieving at least this level of visibility for your “major” and “significant” projects.

You must have a mission area titled “Financial Management,” and it must be reported as the first mission area. Some systems support financial functions in addition to other functions. If a system supports financial functions, you must include an estimated percentage of the total system obligations associated with the financial components. See the financial system definition for a description of financial functions. Systems that predominately support financial functions should be included in the first mission area, “Financial Management.” If the project reported is 100 percent financial, indicate 100 percent in the column. For mixed systems or projects, indicate the appropriate percentage that is financial. For those projects that are fully non-financial, leave the column blank.

### (c) *Part 2. IT infrastructure and office automation.*

Report amounts for IT investments that support common user systems, communications, and computing infrastructure. These investments usually involve multiple mission areas and might include general LAN/WAN, desktops, data centers, cross-cutting issues such as shared IT security initiatives, and telecommunications. Report each “major” and each “significant” IT infrastructure system, program, project, or initiative separately. Report your IT security initiatives and projects that are not directly tied to a mission area or project on a separate line with a descriptive title for what the line includes.

### (d) *Part 3. IT architecture and planning.*

Report amounts for IT investments that support strategic management of IT operations (e.g., business process redesign, IT architecture development, IT investment planning, procurement management, and IT policy development and implementation).

### (e) *Part 4. IT resource summary.*

Report totals for development and steady state costs and totals for all IT costs reported in Parts 1 through 3.

## 53.7 How is exhibit 53 coded?

Use the following 17 digit line number coding system to update or complete your exhibit 53:

Entry:	Description:
XXX-xx-xx-xx-xxxx-xx	The first three digits are your agency code (see Appendix C).
xxx-XX-xx-xx-xxxx-xx	The next two digits are your bureau code (see Appendix C). If this is a department only reporting, use 00 as your bureau code.
xxx-xx-XX-xx-xx-xxxx-xx	These two digits indicate the four parts of exhibit 53: 01 = Part 1. IT Systems by Mission Area 02 = Part 2. IT Infrastructure and Office Automation 03 = Part 3. IT Architecture and Planning

Entry:	Description:
	04 = Part 4. IT Resource Summary
xxx-xx-xx-XX-xx-xxxx-xx	These two digits indicate the mission area. Assign a unique code for each mission area reported.
xxx-xx-xx-xx-XX-xxxx-xx	These two digits indicate your agency's type of investment. Select one of the following two digit codes according to the type of investment you are reporting: 01 = Major investments 02 = Significant investments 03 = Small/Other investments
xxx-xx-xx-xx-xx-XXXX-xx	This is a four digit identification number that identifies a specific investment or project. If a new project is added to exhibit 53, locate the area of exhibit 53 where you are going to report the project and use the next sequential number as your four digit identification number.
xxx-xx-xx-xx-xx-xxxx-XX	The final two digits identify which part of the investment you are reporting. Select one of the following two digit codes according to what you report on the title line: 00 = Total project investment 04 = Funding source 07 = Funding source subtotal 99 = Any subtotal

### 53.8 What are the steps to complete exhibit 53?

The following provides step-by-step instructions to complete each part of exhibit 53. See section 53.2 and 53.6 for definitions.

### AGENCY IT INVESTMENT PORTFOLIO

Entry	Description
<b>Part 1. IT Systems by Mission Area</b>	<p>Report amounts for IT investments that directly support an agency-designated mission area. Report each mission area in which IT systems, programs, projects, or initiatives are funded. This information should map directly to your agency's strategic and annual performance plan. For IT applications that cover more than one agency, report in the mission area with oversight of the project. Mission area 01 is reserved for your "financial management" projects and activities.</p> <p>Step 1: For each mission area, list each major IT system or project and the corresponding BA. For BY only, if financial or mixed, identify what percentage is financial. For BY only, if IT security costs are included, identify what percentage of the total investment is IT security. Provide the development/modernization/ enhancement and steady state costs and the funding source.</p> <p>Step 2: For each mission area, list each significant project total and a summary total for small/other projects. If either of these has financial, mixed, or IT security, identify the appropriate percentages.</p>

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Entry	Description
	<p>Step 3: For each mission area provide a subtotal for major projects.</p> <p>Step 4: For each mission area provide a subtotal for significant projects.</p> <p>Step 5: Provide a total for all major projects.</p> <p>Step 6: Provide a total for significant projects.</p> <p>Step 7: Provide a total for small/other projects.</p> <p>Step 8: Provide a total for IT investments.</p>
<b>Part 2. IT Infrastructure and Office Automation</b>	<p>Report amounts for IT investments that are common user systems, communications, shared IT security initiatives, and computing infrastructure. Investments listed will usually support multiple mission areas (e.g., general LAN/WAN, desktops, data centers, telecommunications). Report each major IT infrastructure system, program, project, or initiative and each significant system separately. Sum the costs of small/other projects.</p> <p>Follow the step-by-step instructions outlined in Part 1.</p>
<b>Part 3. IT Architecture and Planning</b>	<p>Report amounts for IT investments that support strategic management of IT operations (e.g., business process redesign, IT architecture development, IT investment planning, procurement management, and IT policy development and implementation).</p> <p>Follow the step-by-step instructions outlined in Part 1.</p>
<b>Part 4. IT Resources Summary</b>	<p>Report totals for major, significant, and small/other projects from Parts 1 through 3 above and a total for the exhibit.</p>

## Agency IT Investment Portfolio

Code	Entry	Total Investment			Percentages		DME			Steady State		
		PY BA	CY BA	BY BA	Financial	IT Security	PY BA	CY BA	BY BA	PY BA	CY BA	BY BA
123-45-01-00-00-0000-00	<b>Part 1. IT Systems by Mission Area</b>											
123-45-01-01-01-1000-00	title of mission area											
123-45-01-01-01-1010-00	major project title and total investment											
123-45-01-01-01-1010-04	name and number of funding source and funding amount											
123-45-01-01-01-1010-07	project subtotal, all funding sources											
123-45-01-01-01-1020-00	major project title and total investment											
123-45-01-01-01-1020-04	name and number of funding source and funding amount											
123-45-01-01-01-1020-07	project subtotal, all funding sources											
123-45-01-01-02-1030-00	significant projects and total investment											
123-45-01-01-03-0000-00	small/other projects and total investment											
123-45-01-99-01-9999-99	total, major projects, part 1											
123-45-01-99-02-9999-99	total, significant projects, part 1											
123-45-01-99-03-9999-99	total, small/other projects, part 1											
123-45-01-99-99-9999-99	total, IT investments, part 1											
	<b>Part 2. IT Infrastructure and Office Automation</b>											
123-45-02-01-01-1010-00	major project title and total investment											
123-45-02-01-01-1010-04	name and number of funding source and funding amount											
123-45-02-01-01-1010-07	project subtotal, all funding sources											
123-45-02-01-01-1020-00	major project title and total investment											
123-45-02-01-01-1020-04	name and number of funding source and funding amount											
123-45-02-01-01-1020-07	project subtotal, all funding sources											

Code	Entry	Total Investment			Percentages		DME			Steady State		
		PY BA	CY BA	BY BA	Financial	IT Security	PY BA	CY BA	BY BA	PY BA	CY BA	BY BA
123-45-02-01-02-1010-00	significant projects and total investment											
123-45-02-01-03-0000-00	small/other projects and total investment											
123-45-02-99-01-9999-99	total, major projects, part 2											
123-45-02-99-02-9999-99	total, significant projects, part 2											
123-45-02-99-03-9999-99	total, small/other projects, part 2											
123-45-02-99-99-9999-99	total, IT investments, part 2											
	<b>Part 3. IT Architecture and Planning</b>											
123-45-03-01-01-1010-00	major project title and total investment											
123-45-03-01-01-1010-04	name and number of funding source and funding amount											
123-45-03-01-01-1010-07	project subtotal, all funding sources											
123-45-03-01-01-1020-00	major project title and total investment											
123-45-03-01-01-1020-04	name and number of funding source and funding amount											
123-45-03-01-01-1020-07	project subtotal, all funding sources											
123-45-03-01-02-1010-00	significant projects and total investment											
123-45-03-01-03-0000-00	small/other projects and total investment											
123-45-03-99-01-9999-99	total, major projects, part 3											
123-45-03-99-02-9999-99	total, significant projects, part 3											
123-45-03-99-03-9999-99	total, small/other projects, part 3											
123-45-03-99-99-9999-99	total, IT investments, part 3											
	<b>Part 4. IT Resources Summary</b>											
123-00-04-99-01-9999-99	total, major projects											
123-00-04-99-02-9999-99	total, significant projects											
123-00-04-99-03-9999-99	total, other/small projects											
123-00-04-99-99-9999-99	total, exhibit											